

Received 9/3/85

STAT

Enclosed are three tables that should help to answer the OMB questions. Please feel free to rearrange and take differences to fit your needs.

I was not sure if the final social security figure for CIARDS was 5.5%. If different, minor adjustments are needed but the totals will not be affected.

On attachment 4, you state that the funds for transfers will not be requested until retirement. I am not sure what the difference is between this and immediate transfer(perhaps on an estimated basis).

Edwin Hustead
Hay/Huggins
Sept. 3, 1985



Table 1 - Comparison of CSRS Plans

Normal Cost as a Percentage of Covered Payroll

	Current Plan	Proposed for Pre-1984 Employees	Proposed for Post-1983 Employees
Pension Plan			
Optional retirement	23.2	23.6	15.4
Involuntary retirement	1.8	1.8	0.8
Disability	2.1	2.1	1.8
Deferred vested	0.9	0.9	1.0
Survivors	4.0	4.0	2.1
Total pension cost	32.0	32.4	21.1
Paid by employee	7.0	7.0	1.1
Employer cost			
Pension plan	25.0	25.4	20.0
Capital accumulation	0.0	1.4	1.4
Social security	0.0	0.0	5.9
Total	25.0	26.8	27.3

**MEMORANDUM
OF CALL** Previous editions usable

TO: _____

☐ YOU WERE CALLED BY— ☐ YOU WERE VISITED BY—

OF (Organization) _____

☐ PLEASE PHONE ► ☐ FTS ☐ AUTOVON

☐ WILL CALL AGAIN ☐ IS WAITING TO SEE YOU

☐ RETURNED YOUR CALL ☐ WISHES AN APPOINTMENT

MESSAGE _____

*re Ed
Hustead*

RECEIVED BY _____	DATE _____	TIME _____
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Table 2 - Comparison of CIARDS Plans

Normal Cost as a Percentage of Covered Payroll

	Current Plan	Proposed for Pre-1984 Employees	Proposed for Post-1983 Employees
Pension Plan			
Optional retirement	37.8	42.8	35.1
Involuntary retirement	1.9	2.2	1.2
Disability	2.2	2.5	2.2
Deferred vested	1.0	1.1	1.2
Survivors	5.1	5.8	4.0
Total pension cost	48.0	54.4	43.7
Paid by employee	7.0	7.0	1.5
Employer cost			
Pension plan	41.0	47.4	42.2
Capital accumulation	0.0	2.0	2.0
Social security	0.0	0.0	5.5
Total	41.0	49.4	49.7

Table 3 - Comparison of Supplemental Plans to Stevens-Roth
Normal Cost as a Percentage of Covered Payroll

	Stevens/ Roth	Proposed for CSRS Employees	Proposed for CIARDS Employees
Pension Plan			
Optional retirement	8.5	15.5	35.1
Involuntary retirement	0.4	0.8	1.2
Disability	1.0	1.8	2.2
Deferred vested	0.6	1.0	1.2
Survivors	1.2	2.1	4.0
Total pension cost	11.7	21.1	43.7
Paid by employee	0.0	1.1	1.5
Employer cost			
Pension plan	11.7	20.0	42.2
Capital accumulation	3.0	1.4	2.0
Social security	5.9	5.9	5.6
FEGLI	0.2	0	0
Total	20.8	27.3	49.7

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	<u>Current CSRS</u>	<u>Proposed Pre-1984</u>	<u>Proposed Post-1983</u>	<u>Stevens/ Roth</u>
Opt Retirement	23.2	23.6	15.4	8.5
Involuntary Retirement	1.8	1.8	.8	.4
Disability	2.1	2.1	1.8	1.0
Deferred Vested	.9	.9	1.0	.6
Survivors	4.0	4.0	2.1	1.2
Total Pension Cost	32.0	32.4**	21.1	11.7
Paid by Employees	-7.0	-7.0	-1.1	0
Employer Cost				
Pension	25.0	25.4**	20.0	11.7
Thrift Plan	0.0	1.4	1.4	3.0
Social Security	0.0	0.0	5.9	5.9
FEGLI	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>.2</u>
Total Employer Cost	25.0	26.8	27.3	20.3

** Includes increased costs (.4%) for 2 1/2% accrual rate for overseas/qualifying service.

Comments: Only enhancements over existing plan are: (1) 2 1/2% accrual rate for overseas/qualifying service; and (2) a voluntary capital accumulation Thrift Plan for all Agency employees.

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	<u>Current CIARDS</u>	<u>Proposed Pre-1984</u>	<u>Proposed Post-1983</u>
Opt Ret	37.7	42.8	35.1
Involuntary Retirement	1.9	2.2	1.2
Disability	2.2	2.5	2.2
Deferred Vested	1.0	1.1	1.2
Survivors	<u>5.1</u>	<u>5.8</u>	<u>4.0</u>
Total Pension Cost	48.0	54.4	43.7
Paid by Employees	<u>7.0</u>	<u>7.0</u>	<u>2.0</u>
Employer Cost			
Pension Plan	41.0	47.4	41.7
Thrift Plan	0	2.0	2.0
Social Security	<u>0</u>	<u>0</u>	<u>5.0</u>
	41.0	49.4	49.7

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